

# Brazil

Arrivals from Brazil have exhibited explosive growth over the last decade. Brazilian arrivals have more than doubled since 2009, tripled since 2007, and have increased five-fold over the last ten years; and those Brazilians who are visiting the United States are spending more than ever before. Brazilian spending in the United States has increased six-fold over the last decade and now supports more than 64,000 U.S. jobs. With travel and tourism-related exports accounting for nearly 47 percent of U.S. services exports and 18 percent of all U.S. exports to Brazil, the Brazilian market is of paramount importance to the U.S. competitive position and ultimately the nation's tourism strategy. To attract an increasing number of visitors from Brazil, the U.S. Government will continue to find ways to ease the entry/exit processes and communicate improvements to these processes, and better coordinate work in market, including with the private sector, through a travel and tourism country plan.

Overall  
Rank

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The United States welcomed a record-setting 2.1 million visitors from Brazil in 2013, an increase of more than 269,000 visitors (15 percent) when compared to 2012. In fact, 2013 marks the seventh consecutive year of double-digit growth in arrivals from Brazil, which enabled Brazil to supplant Germany and become the fifth largest international market for U.S. arrivals (behind Canada, Mexico, United Kingdom, and Japan, respectively). Brazil now accounts for more than 40 percent of all arrivals from South America.

After a decade of growth averaging more than 22 percent a year, Brazil has securely positioned itself as the sixth largest market for U.S. travel and tourism-related exports. Spending by Brazilian travelers in the United States has increased six-fold over the last decade and has exhibited double-digit growth in seven of those 10 years.

In 2013, visitors from Brazil spent a record-setting \$12.4 billion experiencing the United States, an increase of nine percent when compared to 2012. Conversely, Americans spent an estimated \$1.1 billion in Brazil in 2013, resulting in an \$11.3 billion balance of trade surplus for travel and tourism.

## Market Intelligence

The National Travel and Tourism Office's Survey of International Air Travelers provides key insights into travelers from Brazil to the United States:

**Purpose of Trip**—As to the main purpose of their trip to the United States, the majority of arrivals from

Brazil were on vacation/holiday (73 percent), followed by business (nine percent), visiting friends/relatives (seven percent), convention/conference/trade show (five percent), and education-related purposes (four percent).

**Ports of Entry**—The top U.S. ports of entry used by Brazilian travelers included Miami, Florida (43 percent), New York, New York (18 percent), Orlando, Florida (11 percent), Atlanta, Georgia (six percent), and Dallas/Fort Worth, Texas (four percent).

**Number of States Visited**—The majority (74 percent) of Brazilian travelers visited only one state during their stay in the United States; 19 percent visited two U.S. states; and seven percent visited three or more U.S. states.

**U.S. Destinations Visited: States and Cities**—The top U.S. states visited included Florida (57 percent), New York (31 percent), California (nine percent), Nevada (eight percent), and Illinois (three percent). The top cities included Orlando, Florida (37 percent), Miami, Florida (36 percent), New York, New York (31 percent), Las Vegas, Nevada (eight percent), and Los Angeles-Long Beach, California (six percent).

**Leisure Activities**—The top leisure activities of Brazilian visitors were shopping (92 percent), sightseeing (72 percent), amusement/theme park (50 percent), national parks/monuments (35 percent), and nightclubbing/dancing (34 percent).

**Transportation Used in the United States**—The mode of travel most popular with Brazilian visitors while in the United States was rented autos (52 percent), followed by air travel between U.S. cities (39 percent), private or company auto (34 percent), taxicab/limousine (30 percent), and city subway/tram/bus (24 percent).

**Accommodations and Nights in the United States**—The overwhelming majority of Brazilian visitors stayed in hotels (86 percent), while 20 percent stayed in private homes. The average number of nights Brazilian visitors stayed in the United States was 15 nights, with 25 percent staying four to seven nights and nearly 10 percent staying 22 or more nights.

**Income**—The average annual income of visitors from Brazil was just over \$100,000 in 2013, with nearly 28 percent of Brazilian visitors making less than \$20,000 a year and eight percent making \$300,000 or more. Nearly two-thirds (63 percent) made less than \$100,000 in annual income.

### Export Opportunities

The National Travel and Tourism Office Forecast for International Travel anticipates a compound annual growth rate of more than six percent for Brazil, culminating in nearly three million arrivals from Brazil in 2019. Even if this growth is realized, however, Brazil would still fall from fifth- to sixth-largest international market in terms of arrivals to the United States, down purely as a function of China's explosive growth vaulting China up from seventh in 2013 to third in 2019.

Travelers from Brazil spent an estimated \$25 billion<sup>xii</sup> on travel and tourism-related goods and services around the world in 2013, an increase of nearly 13 percent when compared to 2012. In fact, since 2005, international spending by Brazilian travelers has increased and now ranks 10<sup>th</sup> (up from 12<sup>th</sup>, after overtaking Japan and Singapore in 2013) in terms of global tourism expenditures.

These data clearly highlight Brazil's significant upside potential. But the United States is a long way from fully capitalizing on the opportunity presented by Brazil's outbound travel market. According to the UNWTO, the main annoyances expressed by Brazilian travelers include "problems with visa and immigration procedures, high prices ... and long queues."<sup>xiii</sup>

The U.S. Department of State (State) has already taken several actions to refine the visa process in Brazil, recognizing its importance to the U.S. economy. Visa interview wait times now average just three working days or less in Brasilia, Recife, and Rio de Janeiro, and 10 days in Sao Paulo, one of State's busiest nonimmigrant visa processing posts. By adding staff, extending interview hours, and expanding facilities, State has dramatically reduced wait times previously experienced, and now more than ever, qualified Brazilian visitors have the ability to travel to the United States. Year-over-year demand for visas remains high – in 2013, State issued more than 1.1 million U.S. visas to Brazilian travelers. However, with only four posts issuing visas in the entire country, the cost of getting a visa for those outside these cities remains high.

State and interagency partners have also negotiated an Open Skies Agreement with the Brazilian Government; however, the agreement has not yet entered into force. When Open Skies fully takes effect in October 2015, airlines from the United States and Brazil will be allowed to select routes, destinations and prices for passenger, cargo and charter services based on consumer demand and market conditions. This could be an immediate opportunity to increase visitation from Brazil to the United States as it would allow the market to dictate flights rather than the government.

### Challenges & Barriers

Brazil is a strong growth market for the United States; however, to fully capitalize on all of the opportunities offered by Brazilian travel, the United States must continue to facilitate travel to the country through improvements in the entry/exit processes and through the Open Skies agreement. Other challenges that may impact travel from Brazil include:

- **Exchange rate.** The value to exchange the Brazilian real into the U.S. dollar has increased drastically in the past few months due to a number of domestic and foreign economic issues currently faced by Brazil. In 2013 and 2014, record years in the number of Brazilian travelers visiting the United States and in spending, the exchange rate ranged between 2.20 – 2.45. During the last months of 2014, the Brazilian real devaluated rapidly, and since February 2015, Brazilians are facing a daily fluctuation in the Brazilian real. During the first week of March 2015, the exchange rate for the Brazilian real in comparison to the U.S. dollar reached 2.97.

- **Additional tax.** At the end of 2013, the Brazilian Government increased the tax for any international financial operation from 0.38 percent to 6.38 percent. This includes payments using debit or credit cards, withdrawals in foreign currencies, purchases using traveler's checks, and loading pre-paid cards with foreign currencies. Exchanging Brazilian reals into foreign currencies in the country continues to charge a 0.38 percent tax, so the majority of travelers have been using more cash while travelling. However, experienced travelers tend to carry less cash due to security concerns.
- **Competition.** The United States is traditionally the favorite destination for Brazilian visitors; however, other destinations in Europe, Asia, and Africa are being heavily promoted in the country via promotional campaigns, events, and partnership investments. This affects mainly well-experienced travelers, who have already traveled to primary destinations in the United States (i.e. Orlando, Miami, New York, Las Vegas, Los Angeles) and are looking into new and exotic destinations for unique and different experiences.



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